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ABSTRACT

This booklet is designed to serve as a general reference source about the employment-related provisions of Social Security Disability Insurance (SSDI) and the Supplemental Security Income (SSI) programs for individuals with disabilities and educators, advocates, rehabilitation professionals, and counselors who serve people with disabilities. The first part of the booklet explains how to reach the Social Security Administration and the components of the SSDI and SSI programs. Information is provided on: eligibility, necessary records, filing for benefits, the definition of disability, self-employment, payment amounts, health insurance coverage, wait-time for benefits, and reviewing benefits. An overview of work incentive provisions in SSDI and SSI is then provided, including impairment-related work expenses, subsidies and special conditions, unincurred business expenses, unsuccessful work attempts, trial work periods, extended periods of eligibility for reinstatement of benefits, continuation of Medicare coverage, the Earned Income Exclusion, the Student Earned Income Exclusion, the Plan for Achieving Self-Support, and reinstating eligibility without a new application. Special rules for individuals who are blind are also explained. The booklet closes with an explanation of additional help with health care for people with disabilities, a glossary, and addresses for social security regional offices. (CR)

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ED 444 293

RED BOOK ON WORK INCENTIVES

A SUMMARY GUIDE TO SOCIAL SECURITY AND SUPPLEMENTAL SECURITY INCOME WORK INCENTIVES FOR PEOPLE WITH DISABILITIES

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Office of Program Benefits

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INTRODUCTION

"Seventy-five percent of Americans with disabilities remain unemployed ...72% say they want to go to work. This is not just a missed opportunity for Americans with disabilities, it is a missed opportunity for America."

President Bill Clinton
June 4, 1999

Purpose of this booklet

One of the Social Security Administration's (SSA) highest priorities is to help people with disabilities achieve independence by helping them to take advantage of employment opportunities. We intend this booklet to serve as a general reference source about the employment-related provisions of Social Security Disability Insurance and the Supplemental Security Income programs for educators, advocates, rehabilitation professionals, and counselors who serve people with disabilities. Many such individuals need a working knowledge of the technical provisions involved so that they can advise people with disabilities appropriately and recognize when to seek case-specific guidance from SSA. We also expect that many applicants and beneficiaries will use this booklet as a self-help guide to the employment-related provisions under our programs. (A note of caution: This booklet is not a complete description of our policies. You cannot rely on it to make conclusive determinations about eligibility or benefits in individual cases. In addition, different rules may often apply to people who are claiming benefits based on retirement or age. We cover those rules in our other publications.)

Our ultimate goal is to enable people to make effective and efficient applications for our program benefits and stay eligible for as long as legitimately possible while they prepare for and engage in productive work.

Purpose of work incentives

The Congress intended the work incentive provisions to provide you with the support you need to move further on the way from benefit dependency to independence. In other words, work incentives assist you to enter or re-enter the workforce by protecting your entitlement to cash payments and/or health care until you achieve this goal. The SSDI and SSI programs may not be exclusive and permanent sources of income, but they can be stepping-stones to improve your economic condition.

Pending legislation

When this booklet went to print, the Work Incentive Improvement Act of 1999 was pending before the Congress. If passed, this Act would make several important changes in our programs and we would need to revise much of this booklet. Up-to-date information about this and other pending legislation is available on our Internet web site, see page 6.

"Plain language"	We tried to make this booklet clear and brief. To that end, we followed "Plain Language" guidelines. We generally use "we," "us," or "our" to refer to SSA and "you" or "your" to refer to the person who is claiming benefits based on disability.
Previous editions	This booklet replaces all previous editions.

HOW TO REACH SOCIAL SECURITY

Contact Us By Telephone

Social Security has a toll-free number that operates from 7a.m. to 7p.m., Monday to Friday: 1-800-772-1213. If you have a touch-tone telephone, recorded information and services are available 24 hours a day, including weekends and holidays.

If you are hearing impaired, you may call our toll-free "TTY" number, 1-800-325-0778, between 7 a.m. and 7 p.m. Monday through Friday.

Find A Local Office

If you have a problem or question, you should first try our toll-free telephone number. If you need to contact your local office, you can find it in your local telephone directory under "Social Security."

If you have access to the Internet, you can use the Social Security Office Locator on our home page, *Social Security Online* at www.ssa.gov. Just type in your postal ZIP code and we will give you the address, telephone number, and directions to your local office.

Contact Us By Mail

If you have a problem, you should first call our toll-free telephone number or contact your local office. If you still need additional help, you may write to the Office of Public Inquiries:

Social Security Administration
Office of Public Inquiries
6401 Security Blvd.
Baltimore, MD 21235-6401

Request Public Information Materials

Mail requests for SSA publications to:

Social Security Administration
Public Information Distribution Center
P. O. Box 17743
Baltimore MD 21235

You can telephone requests for SSA publications to 410- 965-0945 or Fax your requests to 410- 965-0695.

Find Information On The Internet

As mentioned above, we have a home page on the Internet, *Social Security Online* located at www.ssa.gov. Most SSA publications and other public information materials are available at this site. We have also included links to the home pages of our regional offices -- Atlanta, Boston, Chicago, Dallas, Denver, Kansas City, New York, Philadelphia, San Francisco and Seattle -- highlighting regional initiatives, local public information resources, and connections to local offices. There are also links to the home pages of offices within SSA. The following are of particular interest to the community serving people with disabilities:

- Office of Employment Support Programs -- www.ssa.gov/work -- This site provides information on our efforts to help people with disabilities enter the workforce in employment or self-employment. There are sections about Rehabilitation Programs, Work Incentives, Legislation, Employment Programs, Health Care for People with Disabilities, and much more.

- Office of Disability -- www.ssa.gov/odhome -- This site provides comprehensive information on our disability benefits programs.

Locate Vocational Rehabilitation Providers

We can refer SSDI and SSI beneficiaries who are blind or disabled to their local State Vocational Rehabilitation (VR) agency, or to other service providers in the public and private sectors. If you are interested in obtaining more information about SSA's expanded VR referral and payment program, you can call a special toll free telephone number, 1-888-606-7787. Specially trained operators are available at this number to answer your questions about referrals and service provider participation. We also have general information available on our Internet web site, www.ssa.gov/work.

Send Us Comments About The Red Book

Send your comments about this publication to:

Red Book Editor
Social Security Administration
Office of Employment Support Programs
Room 107, Altmeyer Building
6401 Security Blvd.
Baltimore MD 21235-6401

Or Fax them to : 410-966-8597, attention: Red Book Editor

BASIC SSDI and SSI INFORMATION

What are SSDI and SSI?

We manage two major programs that provide cash benefits based on disability or blindness.

SSDI

Social Security Disability Insurance (SSDI) provides benefits to disabled or blind individuals who are "insured" by workers' contributions to the Social Security trust fund. These contributions are the Federal Insurance Contributions Act (FICA) social security tax paid on their earnings or those of their spouses or parents. Title II of the Social Security Act authorizes SSDI benefits. See page 14 for related health insurance information.

SSI

The Supplemental Security Income Program (SSI) makes cash assistance payments to aged, blind and disabled people (including children under age 18) who have limited income and resources. The Federal government funds SSI from general tax revenues. Some States pay benefits to some individuals to supplement their Federal benefits. Some of these States have arranged with us to combine their supplementary payment with our Federal payment into one monthly check to you. Other States manage their own programs and make their payments separately. Title XVI of the Social Security Act authorizes SSI benefits. See page 15 for related health insurance information.

SSDI
SSI

These two programs share many concepts and terms. However, there are also many very important differences in the program rules affecting eligibility and benefit payments. Keep this in mind, since many people may apply for or be eligible for benefits under both programs at the same time.

Are You Eligible?

SSDI

To be eligible for SSDI:

The worker must have worked and paid Social Security taxes for enough years to be covered under Social Security insurance; some of the taxes must have been paid in recent years; and

You must be:

1. The worker or the worker's adult child or widow(er);

2. Considered medically disabled; and

3. Not working or working but earning less than the substantial gainful activity (SGA) level (see page 10).

SSI

To be eligible for SSI based on a medical condition:

1. You must have little or no income or resources (refer to the Glossary, pages 52 and 53, for definitions of income and resources);

2. You must be a U.S. citizen or meet the requirements for non-citizens;

3. You must be considered medically disabled;

4. You must be a resident of the 50 States, District of Columbia, or Northern Mariana Islands;

5. You must file an application;

6. You must file for any and all other benefits for which you are eligible;

7. You must accept vocational rehabilitation services, if referred; and

8. If your impairment is other than blindness, when you apply, you must not be working or working but earning less than the SGA level (see page 10). Once you are on the rolls, your eligibility will continue until you medically recover or no longer meet a non-disability-related requirement.

If you are blind, only the first seven requirements apply to you.

When and How Do You File for Benefits?

When do you file?

You should file for benefits as soon as you believe that you might be eligible. There is no waiting period for filing and waiting may make it more difficult to collect the records that you need to support your claim.

How do you file?

First, always call our toll-free number. We may be able to answer your questions over the telephone. We will then arrange to take your claim either over the telephone or at our office. We will send you a confirmation of this appointment. We will also send you a form to get your claim started. Fill in the form as completely and as accurately as you can. Our claims representative will tell you how to send the form to us. If you visit our office before then, bring the form with you.

What Records Do You Need?

SSDI
SSI

Do not wait to file for benefits just because you do not have all of the information you need. The Social Security office will be glad to help you. However, you can speed things up by bringing certain documents with you when you apply, if they are available, and helping us to get any other information or medical evidence you need to show you are disabled. These include:

- The Social Security number, and birth certificate or other proof of age for each person applying for payments (This includes your spouse and children, if they are applying for benefits.);
- Names, addresses, and telephone numbers of doctors, hospitals, clinics, and institutions that treated you and dates of treatment;
- Names of all medications you are taking and prescribed dosage;
- Medical records from your doctors, therapists, hospitals, clinics, and caseworkers;
- X-rays, laboratory and test results;
- A summary of where you worked in the past 15 years (company names, addresses, supervisors' telephone numbers) and the kind of work you did;
- A copy of your W-2 Form (Wage and Tax Statement), or if you are self-employed, your federal tax return for the past year; and

- Dates of any prior marriages.

If you have a checking or other bank account, you should also bring something from your bank that shows your account number so we can have your benefits deposited directly into your account.

SSI

If you are applying for SSI, you should have all the documents listed above. In addition, you may need:

- Information about the home where you live, such as your mortgage or your lease and landlord's name;
- Payroll slips, bank books, insurance policies, car registration, burial fund records, and other information about your income and the things you own (including loan notes, stocks, bonds, or other investments.); and,
- Proof of U.S. citizenship or non-citizen status.

How Do We Define Disability?

SSDI
SSI

Both SSDI and SSI define disability as the inability to engage in any substantial gainful activity (SGA) because of a medically determinable physical or mental impairment(s):

- That can be expected to result in death, or
- That has lasted or, that we can expect to last for a continuous period of not less than 12 months.

We evaluate the work activity of persons claiming or receiving disability benefits under SSDI, and/or claiming benefits because of a disability under SSI. Under both programs, we use earnings guidelines to evaluate your work activity to determine whether the work activity is SGA and whether we may consider you disabled under the law. While this is only one of the tests used to determine disability, it is a critical threshold in disability evaluation.

If your impairment is other than blindness, effective July 1999, earnings averaging over $700 a month generally demonstrate SGA. If you are blind, effective January 1999, earnings averaging over $1110 a month generally demonstrate SGA. (Any changes since this printing will be posted on our web site, see page 6.)

SSDI

For SSDI, we use SGA as a factor to decide if you have a disability when you apply to get benefits. We also use SGA as a factor to decide if your disability continues when you are already receiving benefits (except during the trial work period, see page 29).

SSI

For SSI, we use SGA as a factor to decide if you have a disability when you apply based on a condition other than blindness. (SGA is not a factor for SSI applicants who are blind.) We use the same SGA level under SSI for applicants with impairments other than blindness as we do in SSDI.

For SSI, we do NOT use SGA as a factor to decide if your disability continues when you are already on the rolls. Your SSI eligibility continues until you recover medically or we end your eligibility for a non-disability-related reason.

What if You Are Self-Employed?

If you are not blind

SSDI
SSI

If you are self-employed and your impairment is other than blindness, we must look at your activities and their value to the business to decide if you are performing SGA. Self-employment income alone is not a reliable measure of SGA because it is affected by so many other factors (for example, market conditions or income sharing arrangements).

Your self-employed work is SGA if:

- You render significant services to the business AND you receive SGA level average monthly income, or
- Your work is comparable to the work of unimpaired people in your community engaged in the same or similar businesses; or
- Your average monthly work is worth SGA level earnings in terms of its effect on the business, or when compared to what you would have to pay to an employee to do the work.

If you are blind

SSDI

Special SSDI rules apply to people who are blind. Go to page 44.

SSI

SGA does not apply to people who are blind under SSI. Your eligibility continues until you medically recover or we end your eligibility because of a non-disability-related reason.

What Facts Determine if You Are Disabled?

The process we use to determine if you are disabled involves five questions. They are:

1. Are you working?

   If you are working and your average monthly earnings are at SGA level, we generally cannot consider you to be disabled. If your monthly earnings average less than SGA level, we look at your condition.

2. Is your condition "severe"?

   For us to consider you to be disabled, your impairment(s) must significantly limit your ability to do basic work activities, such as walking, sitting, seeing, and remembering. If it does not, we cannot consider you to be disabled. If it does, we go to the next step.

3. Is your condition in the list of disabling impairments?

   We maintain a list of impairments for each of the major body systems that are so severe they automatically mean you are disabled. If your condition(s) is not on the list, we have to decide if it is of equal severity to an impairment on the list. If it is, we approve your claim. If it is not, we go to the next step.

4. Can you do the work you did previously?

   If your condition is severe, but not at the same or equal severity as an impairment on the list, then we must determine if you can do your past relevant work. If you can, we will deny your claim. If you cannot, we go to the next step.

5. Can you do any other type of work?

   If you cannot do your past relevant work, we then look to see if you can do any other type of work. We consider your age, education, past work experience, and transferable skills. If you cannot do any other kind of work, we will approve your claim. If you can, we will deny your claim.

Who Decides if You are Disabled?

After helping you complete your application, the Social Security office will review it to see if you meet the basic requirements for SSI or SSDI. If you meet these basic requirements, our office will then send your application to the Disability Determination Services (DDS) office in your State. The DDS office will decide if you have a disability under the Social Security law.

In the DDS office, a team consisting of a physician (or psychologist) and a disability examiner will consider all the facts in your case and decide if you are disabled. They will use the medical evidence from your doctors and from hospitals, clinics, or institutions where you were treated. Again, the quicker we get the evidence, the faster we will process your claim. This is why we suggest you bring any copies of your medical reports you have with you.

You should also be sure to contact the doctors and treatment facilities to let them know we will be requesting medical evidence in your case. We ask your doctors or other sources for a medical history of your condition; when it began; how it limits your activities; what the medical tests have shown; and what treatment has been provided. We also ask about your ability to do work-related activities, such as walking, sitting, lifting, carrying, and remembering. We do not ask them to decide whether you are disabled.

The DDS team may need additional medical information to decide your case. We may ask you to have a special examination called a consultative examination. We prefer that your doctor or the medical facility where you were treated perform this examination. We will pay for the examination and/or any other additional medical tests you may need, and travel expenses related to it.

Our rules for determining disability differ from those in other government and private programs. However, we may consider a decision made by another agency and the medical reports it used to determine if you are disabled under Social Security rules.

When we reach a decision on your claim, we will send you a letter. If we approve your claim, the letter will show your benefit amount and when payments will start. If we do not approve your claim, the letter will explain why and tell you how you may appeal our decision.

How Do We Figure Your Payment Amount?

SSDI

We base your SSDI payment amount on the worker's lifetime average earnings covered by Social Security. The payment amount is adjusted each year to compensate for cost-of-living increases. We may reduce the payment amount by Workers' compensation payments (including Black Lung payments) and/or public disability benefits, e.g., certain State, and civil service disability benefits). Other income or resources do not affect the benefit amount.

SSI

We base your SSI payment amount on the amount of other income that you receive, your living arrangement, and the State in which you live. We call the basic monthly payment the "Federal Benefit Rate" (FBR). The FBR is adjusted each year to account for cost-of-living increases. The FBRs for 1999 are $500 per month for an eligible individual and $751 per month for an eligible couple. Most states pay some people an additional amount known as a "State supplement." The amount and qualifications for these supplements vary from state to state.

To figure your SSI payment amount, we add your FBR plus your State supplement, if any, and then subtract your countable income.

See page 52 for our definition of income. We do not count all the income that you have. The income amount remaining after we make all the allowable deductions is "countable income." For example, we do not count any part of a scholarship or grant that you use to pay for tuition, books, fees, or related educational expenses. The sections on SSI work incentives explain some of the ways that we can exclude income.

Will You Get Health Insurance Coverage?

SSDI

Everyone eligible for SSDI benefits is also eligible for **Medicare** after a 24-month qualifying period (see next section). (Some former Federal employees may be eligible for Medicare without being eligible for SSDI.) Medicare consists of hospital insurance (Part A) and medical insurance (Part B). The Health Care Financing Administration (HCFA) administers Medicare. Title XVIII of the Social Security Act authorizes Medicare.

SSI

Medicaid is a jointly funded, Federal-State health insurance program for low-income and needy people. It covers children, the aged, blind, and/or disabled and other people who are eligible to receive federally assisted income maintenance payments. HCFA oversees State administration of Medicaid. Title XIX of the Social Security Act authorizes Medicaid.

Thirty-two States and the District of Columbia provide Medicaid eligibility to people eligible for SSI benefits. In these States, your SSI application is also your Medicaid application.

The following jurisdictions use the same rules to decide eligibility for Medicaid as we use for SSI, but require you to file a separate application:

Alaska	Nebraska	Utah
Idaho	Nevada	Northern Mariana Islands
Kansas	Oregon	

The following States use their own eligibility rules for Medicaid, which are different from our SSI rules. In these States you have to file a separate application for Medicaid:

Connecticut	Minnesota	Ohio
Hawaii	Missouri	Oklahoma
Illinois	New Hampshire	Virginia
Indiana	North Dakota	

Protect your health coverage! Contact your local Social Security Office or State Medicaid agency for information about the eligibility rules and how you can apply in your State. See page 49 for information about additional Medicaid protection for working people with disabilities.

Will You Have to Wait for Your Benefits to Start?

SSDI

Generally, you must wait 5 full calendar months after your disability begins before receiving SSDI benefits. If you leave the disability rolls and you return within 5 years, we do not require a new waiting period.

NOTE: We do not require a waiting period for children filing for benefits on their parent's earnings record.

Medicare

The first 24 months of disability benefit entitlement is the waiting period for Medicare coverage. During this qualifying period for Medicare, you may be eligible for health insurance through a former employer. You should contact the employer for information about health insurance coverage.

How months are counted

We count one month for each month of your disability benefit entitlement.

When previous periods count

Months in previous periods of disability may be counted towards the 24-month Medicare qualifying period if the new disability begins:

- Within 60 months after the termination month of the worker's receiving disability benefits; or
- Within 84 months after the termination of disabled widows' or widowers' benefits or childhood disability benefits; or
- At any time if the current disabling impairment is the same as, or directly related to, the impairment which was the basis for the previous period of disability benefit entitlement. (This provision applies to beneficiaries whose prior period of entitlement to disability ended after February 29, 1988.)

SSI

There is no waiting period required before receiving SSI benefits. Your payments will start as soon as we are able to determine that you meet the eligibility requirements.

Medicaid

In thirty-two States and the District of Columbia, your SSI application is also your Medicaid application and your Medicaid eligibility starts the same month as your SSI eligibility. See page 15 for lists of States that require a separate application for Medicaid.

When Will We Review Your Disability?

We review your disability case periodically to see if your condition has medically improved or if you can perform SGA.

SSDI
SSI

If your original disabling condition is expected to improve, we review your case on or about the date the improvement is expected; or

If medical improvement is possible, we review your case at least once every 3 years; or

If medical improvement is not expected, we review your case every 5 - 7 years; or

When we receive information that you may have returned to work or appear to have improved, we review your case at the time we receive the information; or

SSI

If you become eligible for benefits under section 1619 or there are changes in your 1619 status (See pages 40 and 41), we review your case, but not more often than once a year.

When Will Your Benefits Stop?

SSDI

The last month you can receive SSDI benefits generally is whichever of the following months occurs earliest:

- The second month after the month in which we find you no longer have a disabling impairment either due to work at the SGA level or medical improvement. (We pay benefits for this three months we call "*the grace period*").
- The month before the month you turn age 65 (at which time benefits convert to retirement insurance benefits).
- The month before the month in which you die.

There are two exceptions when your SSDI benefits may be continued:

- During the extended period of eligibility, if we ceased your disability due to your work at SGA level (see page 30), or
- During your participation in a vocational rehabilitation program, if we ceased your disability due to medical improvement (see page 28).

SSI

We do not pay SSI benefits for any month you do not meet the eligibility requirements or for any month where your payment calculation yields a zero payment.

There is one exception when your SSI benefits may be continued:

- During participation in a vocational rehabilitation program, if we ceased your disability due to medical improvement (see page 28).

OVERVIEW OF WORK INCENTIVES

How the Work Incentives Help People

Many people with disabilities want to work. It is important for disability beneficiaries to understand that they can still receive benefits while they test their ability to work. Anyone who represents or deals with SSDI or SSI beneficiaries who are working or interested in working should encourage them to contact us and ask about work incentives and how they can affect their benefits.

SSDI

Work incentives provide support over several years to allow you to test your ability to work and gradually become self-supporting and independent. In general, you have at least 4 years to test your ability to work. This includes full cash payments during the first 12 months and a 36-month period in which we can start your cash benefits again without a new application. You will continue to have Medicare coverage during this time.

The SSDI work incentives are:

- Impairment-Related Work Expenses,
- Subsidies and Special Conditions,
- Unincurred Business Expenses (Self- Employed Only),
- Unsuccessful Work Attempts,
- Trial Work Period,
- Extended Period of Eligibility,
- Continuation of Medicare Coverage,
- Medicare for People With Disabilities Who Work, and
- Continued Payment Under a Vocational Rehabilitation Program.

This booklet discusses each work incentive. This information will give you an idea of some of the support offered to SSDI beneficiaries who want to work. However, it is important to view all of the work incentives as a total package to appreciate fully the level of support offered to help people achieve their goal of greater economic independence.

SSI

The SSI work incentives offer you ways to continue receiving your SSI checks and/or Medicaid coverage while you work. Some of the incentives can increase your net income to help cover special expenses.

Once you receive SSI, we will consider your disability to continue until you medically recover, even if you work. If you cannot receive SSI checks because your earnings are too high, eligibility for Medicaid may continue. In many cases, if you lose your job or are unable to continue working, you can begin receiving checks again without filing a new application.

The SSI work incentives are:

- Impairment-Related Work Expenses,
- Earned Income Exclusion,
- Student Earned Income Exclusion,
- Blind Work Expenses,
- Plan for Achieving Self-Support (PASS),
- Property Essential to Self-Support,
- Special SSI Payments for People Who Work -- section 1619(a),
- Continued Medicaid Eligibility -- section 1619(b),
- Special Benefits for People Eligible Under Section 1619 (a) or (b) Who Enter a Medical Treatment Facility,
- Reinstating Eligibility Without a New Application, and
- Continued Payment Under a Vocational Rehabilitation Program.

This booklet discusses these provisions. These incentives offer persons who receive SSI because of disability an opportunity to overcome some of the barriers that may have kept them from working.

SSDI AND SSI WORK INCENTIVES

Impairment-Related Work Expenses (IRWE)

SSDI
SSI

How do IRWE help you?

We deduct the cost of certain impairment-related items and services that you need to work from your gross earnings when we determine if your "countable earnings" demonstrate performance of SGA. It does not matter if you use these items and services for non-work activities.

SSI

How do We Use IRWE to Figure Your SSI monthly payments?

We also exclude IRWE from your earned income when we figure your monthly SSI payment amount.

SSDI
SSI

Who decides if We can Deduct Your IRWE?

Our field office decides whether we will deduct expenses from earnings.

When will we deduct Your IRWE?

IRWE are deductible for SGA purposes when:

1. The item or service enables you to work;
2. You need the item or service because of your disabling impairment;
3. You pay the cost and are not reimbursed by another source (e.g., Medicare, Medicaid, private insurance);
4. The expense is "reasonable"--that is, it represents the standard charge for the item or service in your community; and
5. You paid the expense in a month in which you are or were working (occasionally, an impairment-related work expense may be used before the first or after the last month of work activity).

SSI IRWE are deductible when we figure SSI payment amounts if requirements 1 through 4 above are met, and

- You paid the expense in a month in which you received earned income or performed work while you used the impairment-related item or service. (In unusual situations, when the payment of an IRWE does not correspond to a work month, it still may be possible to deduct it.)

EXAMPLES OF EXPENSES LIKELY AND NOT LIKELY TO BE DEDUCTIBLE

DEDUCTIBLE

1. Attendant Care Services

- Performed in the work setting.
- Performed to help you prepare for work, the trip to and from work and after work (e.g., bathing, dressing, cooking, and eating).
- Services which incidentally also benefit your family (e.g., meals shared by you and your family).
- Services performed by your family member for a cash fee where he/she suffers an economic loss by reducing or ending his/her work in order to help you (e.g., your spouse reduces work hours to help you get ready for work).

NOT DEDUCTIBLE

1. Attendant Care Services

- Performed on non-workdays or helping you with shopping or general homemaking (e.g., cleaning, laundry).
- Performed for someone else in your family (e.g., babysitting).
- Services performed by your family member for a cash fee where he/she suffers no economic loss, e.g., your non-working spouse provides service).
- Services performed by your family member for payment "in-kind" (e.g., room and board) regardless if the family member suffers economic loss.

DEDUCTIBLE	NOT DEDUCTIBLE
2. Transportation Costs	2. Transportation Costs
• The cost of structural or operational modifications to your vehicle which you need in order to travel to work, even if you also use the vehicle for non-work purposes.	• The cost of your vehicle whether modified or not.
• The cost of driver assistance or taxicabs where unimpaired individuals in the community do not generally require such special transportation.	• The cost of modification to your vehicle not directly related to your impairment or critical to your operation of the vehicle (e.g., paint or décor preferences).
• Mileage expenses at a rate determined by us for an approved vehicle and limited to travel to and from employment.	• Your travel expenses related to obtaining medical items or services.
3. Medical Devices	3. Medical Devices
• Wheelchairs, hemodialysis equipment, pacemakers, respirators, traction equipment, and braces (arm, leg, neck, back, etc.).	• Any device you do not use for a medical purpose.
4. Work-Related Equipment and Assistants	4. Work-Related Equipment and Assistants
• One-handed typewriters, typing aids (e.g., page-turning devices), measuring instruments, reading aids for visual impairments, electronic visual aids, Braille devices, telecommunications devices for hearing impairments and special work tools.	• If you are self-employed, equipment previously deducted as a business expense.

DEDUCTIBLE	NOT DEDUCTIBLE
• Reader services if you are visually impaired, interpreter services if you are hearing impaired, expenses for a job coach.	
5. Prosthesis	5. Prosthesis
• Artificial hip, artificial replacement of an arm, leg, or other parts of the body.	• Any prosthetic device that is primarily for cosmetic purposes.
6. Residential Modifications	6. Residential Modifications
If you are employed outside of home:	If you are employed outside of home:
• Modifications to the exterior of your house that permit access to the street or to transportation (e.g., exterior ramps, railings, and pathways).	• Modifications to your house to help you in your home (e.g., enlarge interior doorframes, lower kitchen appliances and bathroom facilities, interior railings, stairway chair lift).
If you are self-employed at home:	If you are self-employed at home:
• Modifications made inside your home in order to create a workspace to accommodate your impairment (e.g., enlarge doorway into an office or workroom, the modification of office space to accommodate your problems in dexterity).	• Any modification expenses you previously deducted as a business expense in determining SGA.

DEDUCTIBLE	NOT DEDUCTIBLE
7. Routine Drugs and Routine Medical Services	7. Routine Drugs and Routine Medical Services
• Regularly prescribed medical treatment or therapy that is necessary to control your disabling condition (even if control is not achieved), such as anti-convulsant drugs or blood level monitoring; radiation treatment or chemotherapy; corrective surgery for spinal disorders; anti-depressant medication, etc. Your physician's fee relating to these services is deductible.	• Drugs and/or medical services used for your minor physical or mental problems (e.g., routine physical examinations, allergy treatment, dental examinations, and optician services).
8. Diagnostic Procedures	8. Diagnostic Procedures
• Any procedure related to the control, treatment, or evaluation of your disabling condition (e.g., brain scans, and electroencephalograms).	• Procedures not related to your disabling condition (e.g., allergy testing).
9. Non-Medical Appliances and Devices	9. Non-Medical Appliance and Devices
• In unusual circumstances, when devices or appliances are essential for the control of your disabling condition either at home or at work (e.g., an electric air cleaner if you have severe respiratory disease), and this need is verified by a physician.	• Devices you use at home or at the office which are not ordinarily for medical purposes (e.g., portable room heaters, air conditioners, dehumidifiers, and humidifiers) and for which your doctor has not verified a medical work-related need.

DEDUCTIBLE	NOT DEDUCTIBLE
10. Other Items and Services	10.Other Items and Services
• Expendable medical supplies (e.g., incontinence pads, elastic stockings, and catheters).	• An exercise bicycle or other device you use for physical fitness unless verified as necessary by your physician.
• The cost of a guide dog including food, licenses, and veterinary services.	

Subsidies and Special Conditions

SSDI
SSI

"Subsidies" and "special conditions" are our names for support you receive on the job that could result in you receiving more pay than the actual value of the services you perform. "Subsidies" are items provided by your employer. "Special conditions" are items provided by someone other than your employer (for example, a vocational rehabilitation agency).

We deduct the value of subsidies and special conditions from your earnings when we determine SGA.

SSI

We do **not** deduct subsidies or special conditions when we figure your SSI payment amount.

SSDI
SSI

Examples of subsidies and special conditions are:

- You receive more supervision than other workers doing the same or a similar job for the same pay;
- You have fewer or simpler tasks to complete than other workers doing the same job for the same pay; or
- You have a job coach or mentor who helps you perform some of your work.

We use only earnings that represent the real value of the work you perform to determine if work is at the SGA level. If your employer and/or other involved parties have difficulty setting the real value of your work or the amount of the subsidy or special conditions, we will determine the value of your work.

Unincurred Business Expenses (Self-Employed Only)

SSDI SSI

"Unincurred business expenses" is our name for self-employment business support that someone else gives to you without cost. Because someone gives you these items or services, the Internal Revenue Service (IRS) does not allow you to deduct their cost for income tax purposes. For example, the State Vocational Rehabilitation agency gives you a computer that you use in your graphic arts business.

If you are self-employed, we deduct unincurred business expenses from net earnings when we determine SGA. We do this the same way that we would have if you had paid for the item(s).

SSI

We do **not** deduct unincurred business expenses from earnings when we figure your SSI payment amount.

SSDI SSI

For an item or service to qualify as an unincurred business expense:

- It must be an item or service that the IRS would allow as a legitimate business expense if you had paid for it; and
- Someone other than you must have paid for it.

Unsuccessful Work Attempts

SSDI SSI

An unsuccessful work attempt is an effort to do substantial work (in employment or self-employment) which you stopped or reduced to below the SGA level after a short time (6 months or less) because of:

- Your impairment, or
- Removal of special conditions (see page 26) related to your impairment that were essential to the further performance of your work.

We do not count earnings during an unsuccessful work attempt when we determine SGA for initial eligibility (for SSDI or SSI) or whether (for SSDI only) disability continues or ceases because of work.

SSI

Unsuccessful work attempts are not factors when we calculate your SSI payment amount.

Continued Payment Under a Vocational Rehabilitation Program

SSDI
SSI

If we find you no longer have a disabling impairment due to medical improvement, your benefit payments usually stop (see pages 17 and 18). However, if you participate in a vocational rehabilitation program, your benefits may continue until the vocational rehabilitation program ends.

To qualify:

- We must not have expected you to recover medically when you began the vocational rehabilitation program;
- You must have started the vocational rehabilitation program before your disability ceased; and
- We must review the situation and determine that your continued participation in the vocational rehabilitation program would increase the likelihood of your permanent removal from the disability benefit rolls.

SSDI WORK INCENTIVES

Trial Work Period (TWP)

How does the TWP help people?

The TWP allows you to test your ability to work for at least 9 months. During your TWP, you will receive *full* SSDI benefits *regardless of how high your earnings might be* so long as you have a disabling impairment.

When does the TWP start?

Your TWP starts with the first month you are eligible for SSDI benefits

How long does the TWP last?

The TWP continues until you accumulate 9 months (not necessarily consecutive) of "services" that you performed within a rolling 60-consecutive-month period. This "services" requirement exists only to control when the TWP stops.

"Services" means any activity you do in employment or self-employment for pay or profit or of the kind normally done for pay or profit (whether or not it is SGA). We currently consider your work to be *services* if you earn more than $200 a month (or work more than 40 self-employed hours in a month).

What else do you need to know?

You are not eligible for disability benefits or a TWP if you work at SGA level within 12 months of the onset of your impairment(s) or before we approve your claim for disability benefits. This is because your impairment does not meet our definition of disability (see page 10).

We can consider medical evidence that might demonstrate your medical recovery at any time. Therefore, it is possible for your benefits to stop due to your medical recovery before the end of your TWP.

We allow only one TWP in any one period of disability.

Unsuccessful work attempts (see page 27) do not apply to the TWP.

What happens when you complete your TWP?

We consider your work and earnings after the end of the trial work period to decide if you can work at SGA level. We also consider whether any of the work incentive provisions may affect your situation.

If we decide that you cannot work at the SGA level, your SSDI benefits continue.

If we decide that you can work at the SGA level:

- We pay your SSDI benefits for the month your disability ceased (due either to medical improvement or your work at SGA level) plus the next 2 months (we call this the "grace period"), then they stop.
- If your benefits stopped because you worked at SGA level, you are now in the extended period of eligibility (see next section).

Extended Period of Eligibility for Reinstatement of Benefits (EPE)

How does the EPE help you?

If we ceased your disability because you worked at SGA level -- during the EPE, we will automatically reinstate your benefit payments for any month in which you meet the following conditions:

- You continue to have a disabling impairment; and
- Your earnings in that month fall below SGA level.

No new application and/or disability determination is required.

When does the EPE start?

The EPE starts the month following the end of the trial work period. (Note that the *extended period of eligibility* and the *grace period* may overlap.)

How long does the EPE last?

The EPE is a 36 consecutive month period. (If your earnings change significantly from month-to-month, it is possible that we could reinstate your benefits up to 18 times during this period.)

How long Will we pay reinstated benefits?

If you qualify for reinstated benefits during the 36-month EPE, we will continue your payments for as long as you meet the requirements. This means that if you are eligible for an SSDI payment for the last month of the 36-month EPE, you will continue to be eligible until you:

- Work a month at SGA level, or
- Medically recover.

EXAMPLES

Example 1

Mr. Ray has been working at the local toy factory despite his arthritis. His ninth month of trial work was December 1997. Our local office evaluated his work and found that he was performing SGA; his eligibility for disability payments ceased in January 1998. He continued to earn at the SGA level through April 1998. (During this period, the Disability Determination Services made a medical severity determination and decided that Mr. Ray continued to have a disabling impairment.)

After April, orders dropped off and Mr. Ray's employer laid him off. The field office found that he did not perform SGA in May 1998 through August 1998 (inclusive).

With the development of the Baby Buddy Doll, orders picked up, and Mr. Ray went back to full-time work. He performed SGA from September 1998 through December 1998 (inclusive).

Mr. Ray's arthritis got worse, and from January 1999 through April 1999 (inclusive), he worked part-time, not performing SGA.

In May 1999, feeling better, he went back to full-time work. His earnings have been above the SGA level ever since.

Question: What was the first month of his extended period of eligibility?

Answer: January 1998 (the first month immediately following the completion of the ninth month of trial work).

Question: What will be the last month of Mr. Ray's extended period of eligibility?

Answer: December 2000, the 36th consecutive month.

Question: What are the extended period of eligibility months for which he could potentially be paid?

Answer: January 1998, February 1998, March 1998 (the grace period), May 1998 through August 1998 and January 1999 through April 1999 (non-SGA months).

Example 2

Mrs. Bell began receiving SSDI benefits in January 1992. She returned to work in April 1996. Her trial work period ended in December 1996. In January 1997, the field office evaluated her work and determined it not to be SGA and disability payments continued.

Mrs. Bell continued to work at the non-SGA level until August 31, 2000. She then obtained a new position in which she earned above the SGA level. In October 2000, the field office made a determination that, although her impairment continued to exist, based on her work activity her benefits ended as of September 2000.

Question: What was the first month of her extended period of eligibility?

Answer: January 1997, the first month immediately following the completion of the trial work period.

Question: What is the last month of her extended period of eligibility?

Answer: December 1999, the 36th consecutive month.

Question: What are the months for which we could potentially pay Mrs. Bell because of the extended period of eligibility?

Answer: January 1997 through November 2000; i.e., all non-SGA months starting with her reinstatement during the extended period of eligibility and ending with the month of cessation plus the following 2 months (grace period). Note that once we reinstated Mrs. Bell, she met the requirements for continued payments beyond the end of the EPE, through November 2000.

Continuation of Medicare Coverage

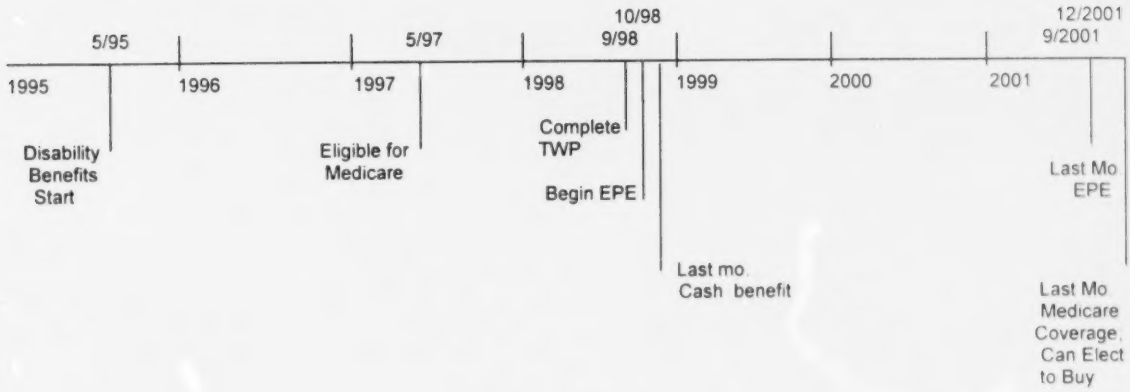
How it helps you

You can receive up to 39 consecutive months of hospital and medical insurance after the trial work period. This provision allows health insurance to continue when you go to work and are engaging in SGA. You pay no premium for hospital insurance.

Although cash benefits may cease due to work, you have the assurance of continued health insurance.

Example 1 John Smith had been entitled to Medicare since May 1997, his 25th month of disability insurance entitlement. Although he continued to have a severe impairment, he completed a trial work period on September 30, 1998 (his 9th trial work period month) and began earning at the SGA level the next month. If he continues working over the SGA level ($700 a Month) throughout the extended period of eligibility (36-month period after the trial work period ends), his entitlement will continue through September 2001. His Medicare will continue through December 2001 (39 months after the TWP ends), unless he medically recovers before that time.

The time line below depicts the major events in John Smith's Medicare coverage. Other work incentives must be reviewed in order to understand the total support offered to him.

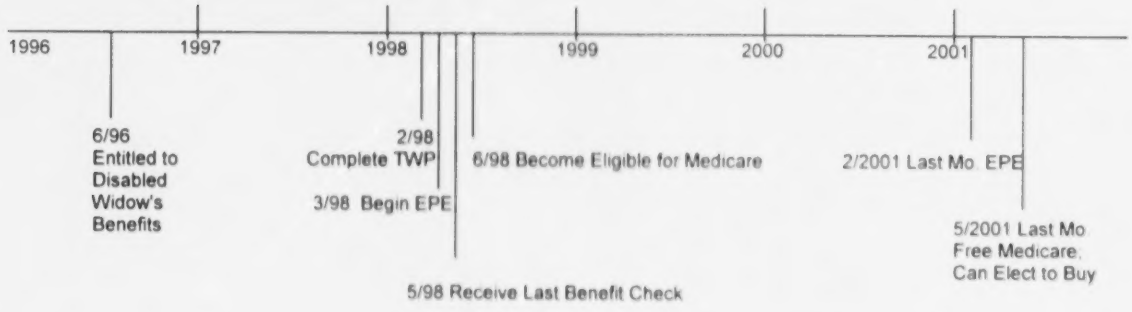


Example 2

Mary Jackson was entitled to disabled widow's benefits beginning June 1996. She completed a trial work period February 1998 and her earnings reached SGA level in December 1998. If she continues to engage in SGA, her extended period of eligibility will end February 2001 (36 months after the trial work period ended). She had only served 21 months of her Medicare waiting period (24 months are required) by the time she completed her trial work period. Her disabled widow's benefit entitlement will continue for 36 months during her extended period of eligibility. The months in the extended period of eligibility will continue to count toward her Medicare qualifying period.

Thus, her Medicare coverage begins June 1998, the fourth month of her extended period of eligibility. If her medical condition remains disabling, Mrs. Jackson's Medicare entitlement will end with May 2001, 3 months after her extended period of eligibility ends. Mrs. Jackson continues to receive the support she needs in her work attempt.

The time line below depicts Mary Jackson's Medicare coverage and the work incentives support she received (trial work period and extended period of eligibility).



Medicare for People With Disabilities Who Work

You may buy Medicare coverage

After premium-free Medicare coverage ends due to work, some people who have returned to work may buy continued Medicare coverage, as long as they remain medically disabled. (Some people with low incomes and limited resources may be eligible for State assistance with these expenses.) For someone who does recover, if the person becomes medically disabled again within 5 years (7 years for widow (ers) and disabled adult children) after the prior period of disability ends, he/she does not have to serve another 5-month waiting period to get SSDI cash benefits or 24-month waiting period to get Medicare.

Who is eligible to buy Medicare Coverage?

You are eligible to buy Medicare coverage if you:

- Are not yet age 65;
- Have a disabling impairment; and
- Your Medicare stopped due to work.

The kind of Medicare that you can buy

You can buy Premium Hospital Insurance (HI Part A) at the same monthly cost which uninsured eligible retired beneficiaries pay ($309 per month for 1999); and

You can buy Premium Supplemental Medical Insurance (SMI Part B) at the same monthly cost which uninsured eligible retired beneficiaries pay ($45.50 per month for 1999); or

You can buy Hospital Insurance separately without Supplemental Medical Insurance. You can buy Supplemental Medical Insurance only if you also buy Hospital Insurance.

When you can enroll

You may enroll:

- During your initial enrollment period (the month you are notified about the end of your premium-free health insurance and the following seven months);
- During the annual general enrollment period (January 1 through March 31 of each year); or
- During a special enrollment period if you are covered under an employer group health plan.

When the State pays premiums for Medicare

States are required to pay Hospital Insurance premiums for some working individuals with disabilities. You qualify if you:

- Are eligible to enroll in premium Hospital Insurance for people with disabilities who work;
- Meet certain income and resource standards; and
- Are ineligible for Medicare on any other basis.

NOTE: People who are disabled and work should contact their State agency for information. See page 50 for more information about State help with Medicare Part A premiums.

SSI WORK INCENTIVES

Earned Income Exclusion

How it helps you

We do not count most of your earned income when we figure your SSI payment amount.

We do not count the first $65 of your earnings in a month plus one-half of the remainder. This means that we count less than one-half of your earnings when figuring your SSI payment amount.

We apply this exclusion in addition to the $20 general income exclusion (an exclusion that is first applied to any unearned income that you may receive).

EXAMPLES The following examples show how the earned income exclusion can help you. In Example 1, the person receives $361 SSDI each month and $10 unearned income from another source; in Example 2, the person receives wages of $361 per month, no SSDI, and $10 unearned income from another source.

Example 1

$361 SSDI
+ 10 other unearned income
371
- 20 General Income Exclusion
$351 countable income

$500 1999 Federal Benefit rate
-351 countable income
$149 SSI Payment

Available income:

$361 SSDI
10 other unearned income
+149 SSI
$520 Total Monthly Income

Example 2

$ 10 other unearned income
- 20 General income exclusion
$ 0 countable unearned income

$361 Earned Income
- 10 Remaining General Income
$351 Exclusion
- 65 $65 Earned Income
$286 Exclusion
- 143 1/2 remaining earnings
$143 Countable Earned Income

$500 1999 Federal Benefit Rate
-143 Countable Income
$357 SSI Payment

Available Income:

$361 Earned Income
10 other unearned income
+357 SSI
$728 Total Monthly Income

Student Earned Income Exclusion

How it helps you

If you are under age 22, not married or head of your household, and regularly attending school, we do not count up to $400 of earned income per month when we figure your SSI payment amount. The maximum yearly exclusion is $1,620.

Definition of "regularly attending school"

"Regularly attending school" means that you take one or more courses of study and attend classes:

- In a college or university for at least 8 hours a week; or

- In grades 7-12 for at least 12 hours a week; or
- In a training course to prepare for employment for at least 12 hours a week (15 hours a week if the course involves shop practice); or
- For less time than indicated above for reasons beyond the student's control, such as illness.

If you are home taught because of a disability, you may be considered "regularly attending school" by:

- Studying a course or courses given by a school (grades 7-12), college, university or government agency; and
- Having a home visitor or tutor who directs the study.

How it works — We apply the student earned income exclusion before the general income exclusion or the earned income exclusion.

Plan for Achieving Self-Support (PASS)

How a PASS helps you — A plan for achieving self-support (PASS) allows you to set aside income and/or resources for a specified time for a work goal.

For example, you could set aside money for an education, vocational training, or starting a business.

We do not count the income that you set aside under your PASS when we figure your SSI payment amount. We do not count the resources that you set aside under your PASS when we determine your initial and continuing eligibility for SSI.

A PASS can help you establish or maintain SSI eligibility and can increase your SSI payment amount.

A PASS does not affect any SGA determination for your initial eligibility decision.

Who can have a PASS? — If you receive SSI or could qualify for SSI, you can have a plan. You may not need a plan now, but you may need one next month or next year to remain eligible or to increase your SSI payment amount.

Requirements for a PASS

In brief, your plan must:

- Be designed especially for you;
- Be in writing (we prefer that you use our form, the SSA-545-BK);
- Have a specific work goal which you are capable of performing;
- Have a specific timeframe for reaching your goal;
- Show what money (other than your SSI payments) and other resources you have or receive that you will use to reach your goal;
- Show how your money and resources will be used to reach your work goal;
- Show how the money you set aside will be kept identifiable from other funds;
- Be approved by us; and
- Be reviewed by us periodically to assure your plan is actually helping you achieve progress.

Who can help you set up a PASS?

Anyone may help you with your PASS, e.g., vocational counselors, social workers, or employers. We evaluate the plan and determine its acceptability. We also help people put their plans in writing.

How a PASS affects your SSI eligibility and/or payment amount

We do not count resources set aside under a PASS towards the resource limit.

When we figure your SSI payment amount, we do not count income set aside under a PASS. We apply this exclusion to your countable income after we apply all other applicable exclusions.

How you can get more information about PASS

You can get a PASS Specialist's toll-free telephone number from our local office, you can call our national toll-free telephone number, or you can visit our Internet web site, www.ssa.gov/work/workincentives.htm.

You can get copies of the form, SSA-545-BK from our local office, or any PASS Specialist, or you can download it from the web site.

Property Essential to Self Support

How it helps you

We do not count some resources that are essential to your means of self-support when we decide your initial and continuing eligibility for SSI.

What is excluded?

We do not count property that you use in a trade or business (e.g., inventory) or use for work as an employee (e.g., tools or equipment). Other use of the items does not matter.

We do not count up to $6,000 of equity value of non-business property which you use to produce goods or services essential to daily activities (e.g., land used to produce vegetables or livestock solely for consumption by your household).

We do not count up to $6,000 of equity value of non-business income-producing property if the property yields an annual rate of return of at least 6 percent (e.g., rental property). However, we do not consider liquid resources (e.g., stock, bonds, notes) as property essential to self-support unless you use them as part of a trade or business

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Special SSI Payments for People Who Work -- Section 1619(a)

How it helps you

You can receive SSI cash payments even when your earned income (gross wages and/or net earnings from self-employment) is at the SGA level.

This eliminates the need for the trial work period or extended period of eligibility under SSI.

NOTE: If you are blind, this does not apply to you because the SGA requirement never applied to you under SSI.

How you qualify

To qualify, you must:

- Have been eligible for an SSI payment for at least 1 month before you begin working at the SGA level;
- Still be disabled; and
- Meet all other eligibility rules, including the income and resource tests.

How it works Your eligibility for SSI will continue for as long as you meet the basic eligibility requirements and the income and resources tests.

We will continue to figure your SSI payment amount in the same way as before.

If your State provides Medicaid to people on SSI, you will continue to be eligible for Medicaid.

Do you need to apply? You do not need to file a special application. Just keep us up to date on your work activity.

Continued Medicaid Eligibility -- Section 1619(b)

How it helps you Your Medicaid coverage can continue even if your earnings along with your other income become too high for an SSI cash payment.

How you qualify To qualify, you must:

- Have been eligible for an SSI cash payment for at least 1 month;
- Still be disabled;
- Still meet all other eligibility rules, including the resources test;
- Need Medicaid in order to work; and
- Have gross earned income that is insufficient to replace SSI, Medicaid, and any publicly funded attendant care. (See the "threshold amount" section below.)

What is the "threshold amount"? The "threshold amount" is what we call the measure that we use to decide whether your earnings are high enough to replace your SSI and Medicaid benefits. Your threshold amount is based on:

- The amount of earnings which would cause your SSI cash payments to stop in your State; and
- The annual per capita Medicaid expenditure for your State.

If your gross earnings are higher than the threshold amount for your State, we can figure an individual threshold if you have:

- Impairment-related work expenses (see page 21); or
- Blind work expenses (see page 45); or
- A plan to achieve self-support (see page 38); or
- Publicly funded attendant or personal care; or
- Medical expenses above the state per capita amount.

Continued Medicaid eligibility in certain States

These States use their own definitions of eligibility for Medicaid purposes which differ from SSI eligibility criteria:

Connecticut	Minnesota	North Dakota
Hawaii	Missouri	Ohio
Illinois	New Hampshire	Oklahoma
Indiana		Virginia

If you live in one of these States, you will continue to be eligible for Medicaid under the section 1619(a) & (b) incentive if you were eligible for Medicaid in the month before you became eligible for section 1619.

Special Benefits for People Eligible Under Section 1619 (a) or (b) Who Enter a Medical Treatment Facility

How it helps you

If you are eligible under section 1619, you can receive a SSI cash benefit for up to 2 months while in a Medicaid facility or a public medical or psychiatric facility.

Medicaid facility

Usually, if you enter a Medicaid facility (i.e., a facility where Medicaid pays more than 50 percent of the cost of care), your SSI payment is limited to $30 per month minus any countable income. However, if you are eligible under section 1619, your benefit will be figured using the full Federal Benefit Rate (see page 14) for up to 2 months.

Public medical or psychiatric facility

Usually, if you are in a public medical or psychiatric facility, you are not eligible to receive a SSI payment. However, if you enter a public medical or psychiatric facility while you are eligible under section 1619, your SSI cash benefits can continue for up to 2 months. For this provision to apply, the facility must enter an agreement with us that will allow you to keep all of the SSI payment.

Reinstating Eligibility Without a New Application

How it helps you

If you have been ineligible for a SSI benefit for 12 months or less, you do not have to file a new application to restart your SSI cash payment or continued Medicaid coverage. When your situation changes, contact us and ask about how you can restart your SSI benefits or Medicaid.

Cash SSI payments

If you are eligible for continued Medicaid coverage under section 1619(b), we can start your SSI cash payments again when your countable income drops enough to allow a payment.

If you become ineligible for SSI because your earnings exceed the threshold amount, we can start your SSI cash payments again if your countable income drops enough to allow payment within 12 months.

Medicaid coverage

If you become ineligible for continued Medicaid coverage under section 1619 (b) because your earnings exceed the threshold amount, we can notify your State to start your Medicaid coverage again if your earnings drop below the threshold amount within 12 months.

SPECIAL RULES FOR PEOPLE WHO ARE BLIND

How they help you	Work incentives, in general, are special rules that help you return to work or work for the first time. Some of the rules apply only to people who are blind. Congress designed these rules specifically to make it easier for people who are blind to go to work.
How we define blindness	Blindness is central visual acuity of 20/200 or less in the better eye with best correction, or a limitation in the field of vision in the better eye so that the widest diameter of the visual field subtends an angle of 20 degrees or less (tunnel vision).
SSDI	Under SSDI, this condition has to have lasted or be expected to last at least 12 months.
SSI	There is no duration requirement for blindness under SSI.

How SGA is Applied Under SSDI to Persons Who Are Blind

How SGA is applied to blind SSDI beneficiaries who work	We change the SGA level for beneficiaries who are blind every year to reflect changes in general wage levels. For 1999, if you are blind, average monthly earnings over $1110 will ordinarily demonstrate that you are performing SGA. This is higher than the current guideline for non-blind disabled workers. REMINDER: If you are blind, you may use any or all of the deductions from earnings that apply to SGA decisions. See pages 21 through 27. However, we deduct each item only once.
How SGA is applied to self-employed SSDI beneficiaries who are blind	We decide the SGA of self-employed persons who are blind solely on their earnings. We do not look at time spent in the business or services rendered as we do for non-blind self-employed persons.
How SGA is applied to SSDI beneficiaries who are blind and age 55 or older	After your 55th birthday, if your earnings demonstrate SGA but your work requires a lower level of skill and ability the work that you did before age 55, then benefits are only suspended, not terminated. Your eligibility for SSDI benefits continues indefinitely and we pay your benefits for any month earnings fall below SGA.

SGA is not Applied Under SSI to People Who are Blind

SGA And SSI

If you meet the medical definition of blindness, SGA is not a factor for your SSI eligibility. Your SSI eligibility continues until you medically recover or we end your eligibility because of a non-disability-related reason. See page 14 for an explanation of how we figure your SSI payment amount.

Blind Work Expenses (BWE) Under SSI

How BWE help you

We do not count any earned income that you use to meet expenses needed to earn that income in determining your SSI eligibility and your payment amount. To qualify you must be:

- Under age 65; or
- Age 65 or older and received SSI payments due to blindness.

The BWE items do not have to be related to your blindness.

When we figure your SSI payment amount, we treat items as BWE instead of impairment-related work expenses. We do it this way because it always results in a higher SSI payment amount for you.

Examples of BWE Items:

Some examples of BWE are:

- Dog guide expenses,
- Transportation to and from work,
- Federal, state and local income taxes,
- Social Security taxes,
- Attendant care services,
- Visual and sensory aids,
- Translation of materials into Braille,
- Professional association fees, and

- Union dues.

BWE's effect on SSI payment amount

This example uses the same case facts to show how blind work expenses of $40 per month affect a SSI payment amount.

Without BWE

$361 Earned Income
- 20 General Income Exclusion
$341
- 65 $65 Earned Income
$276 Exclusion
- 138 1/2 remaining earnings
$138 Countable Income

$500 1999 Federal Benefit Rate
-138 Countable Income
$362 SSI Payment

Available Income

$361 Earned Income
+362 SSI
$723 Total Monthly Income

With BWE

$361 Earned Income
- 20 General Income Exclusion
$341
- 65 $65 Earned Income
$276 Exclusion
- 138 1/2 remaining earnings
$138
- 40 Blind Work Expenses
$ 98 Countable Income

$500 1999 Federal Benefit Rate
- 98 Countable Income
$402 SSI Payment

Available Income

$361 Earned Income
+402 SSI
$763 Total Monthly Income

ACCOMMODATIONS FOR PEOPLE WHO ARE BLIND

We recognize our duty to inform you of your rights and responsibilities under our programs.

Letters

On your request, we will provide letters and other correspondence can be received by certified mail, by telephone, or in person.

Audio Cassettes

This booklet, the Red Book, is available on a cassette tape.

Also available on a cassette tape is the booklet "If You Are Blind...How Social Security and SSI Can Help."

Publications Available in Braille

On your request, we will provide the following publications in Braille:

- Red Book on Work Incentives -- A Summary Guide to Social Security and Supplemental Security Income Work Incentives for People with Disabilities (Publication No. 64-030)
- Disability (Publication No. 05-10029);
- Supplemental Security Income (SSI) (Publication No. 05-11000);
- Medicare (Publication No. 05-10043);
- Understanding Social Security (Publication No. 05-10024)--A general but comprehensive overview of the Social Security program;
- Working While Disabled - How Social Security Can Help (Publication No. 05-10095)--A Simple Explanation of the work incentives under Social Security and SSI for beneficiaries who want to work;
- Working While Disabled (Publication No. 05-11017)--A guide to plans for achieving self-support (PASS) while receiving SSI;

- When You Get Social Security Disability Benefits -- What You Need to Know (Publication No. 0510153)--A guide to your rights and responsibilities while receiving Social Security disability benefits;

- When You Get SSI - What You Need to Know (Publication No. 05-11011)--A guide to your rights and responsibilities while receiving SSI; and

- If You Are Blind - How Social Security and SSI Can Help (Publication No. 05-10052)--A guide to the special work incentive rules that apply only to beneficiaries who are blind.

ADDITIONAL HELP WITH HEALTH CARE FOR PEOPLE WITH DISABILITIES

Medicaid Protection For Working People With Disabilities

How it helps you

Your State has the option to provide Medicaid to working people with disabilities whose earnings are too high for them to qualify for Medicaid under the State's existing rules.

How you qualify

You may qualify if you:

- Are in a family whose net income is less than 250 percent of the national poverty level for its size (i.e., the poverty limit for a family of three is $13,650, so the limit for this program is $34,125).

- Meet the definition of "disabled" under the Social Security Act and would be eligible for Supplemental Security Income (SSI) payments if it were not for your earnings.

If you are not an SSI recipient, your State decides if you are disabled. Your State will not consider whether you are working when it makes that decision.

Example

Here is an example of how this provision could work.

The 1998 Federal poverty level for an individual is $8,050. The net income test for help under this provision is income of less than 250 percent of the Federal poverty level, $20,125. Joe Green's annual income (earnings) is $41,250. After the SSI earned income exclusions, he meets the net income test for Medicaid and is eligible under this provision, as follows:

$41,250.00 - annual earnings divided by 12 = $3,437.50

3,437.50	- monthly earnings
-85.00	- general and earned income exclusion
3,352.50	
-1,676.25	- exclusion of half remaining earned income
$ 1,676.25	- monthly countable income or $20,115 a year

In this example, Mr. Green's net income of $20,115 is below the $20,125 limit for an individual.

For more information

Contact the State Medicaid office in your area.

Help With Medicare Part A Premiums

How it helps you

If you are under age 65, disabled, and no longer entitled to free Medicare Hospital Insurance Part A because you successfully returned to work, you may be eligible for a program that helps pay your Medicare Part A monthly premium.

How you qualify

To be eligible for this help, you must:

- Continue to have a disabling impairment;
- Sign up for Premium Hospital Insurance (Part A);
- Have limited income;
- Have resources worth less than $4,000 for an individual and $6,000 for a couple, not counting the home where you live, usually one car, and certain insurance; and
- Not already be eligible for Medicaid.

For more information

To find out more about this program, contact your county, local, or State Social Services or medical assistance office. Ask about the Medicaid buy-in program for Qualified Disabled and Working Individuals (QDWI).

Glossary

Blind Work Expenses (SSI)	If you are blind, when we determine your SSI eligibility and payment amount we do not count any earned income that you use to meet expenses in earning the income.
Break-Even Point (SSI)	The dollar amount of total income that will (after applicable deductions are applied) reduce the SSI payment to zero in a given set of case facts. Your break-even point depends on your earned and unearned income, living arrangement, applicable income exclusions, and State supplement, if any. While useful for discussion purposes, this term does not appear in the SSI rules.
Continuing Disability Review (SSDI and SSI)	Our process of obtaining complete current information about your condition and any work activity to determine if your SSDI and/or SSI benefits should continue.
Continuation of Medicare Coverage (SSDI)	You can receive at least 39 consecutive months of hospital and medical insurance after the trial work period. This provision allows health insurance to continue when you go to work and are engaging in SGA.
Countable Income (SSI)	The amount of money left after we have subtracted all available deductions from your total income. We use this amount to determine your SSI eligibility and payment amounts.
Deeming (SSI)	Our process of considering some of the income and resources of your parent, or spouse, or sponsor (if you are an alien) to be your income and resources when you are applying for or receiving SSI benefits.
Extended Period of Eligibility (SSDI)	36 consecutive months following the trial work period when, if you qualify, we may reinstate your SSDI benefits without a new application, disability determination, or waiting period.
Impairment-Related Work Expenses (SSDI and SSI)	We deduct the cost of items and services that you need to work because of your impairment (e.g., attendant care services, medical devices, etc.) when we decide if you are engaging in SGA. It does not matter if you also need the items for normal daily activities. We can usually deduct the cost of these same items from earned income to figure your SSI payment.

Income (SSI)	SSI income is: • Earned income -- money received from wages, including from a sheltered workshop or work activity center, self-employment earnings, and some royalties and honoraria; and • Unearned income -- money received from all other sources, e.g., gifts, interest, Social Security, Veteran's benefits, pensions. Unearned Income also includes "in-kind income" (free food, clothing or shelter) and "deemed income" (some of the income of a spouse, or parent, or sponsor of an alien).
Medicaid (Medi-Cal in California, AHCCS in Arizona) (SSI)	Medical coverage provided to a person by the State title XIX program.
Medical Improvement Expected (SSDI and SSI)	When we decide if you have a disabling impairment, we also decide that the disabling impairment(s) may improve and we diary the case for a future review.
Medicare (SSDI)	Two-part health insurance program for eligible disabled and people age 65 or older: • Hospital Insurance under Medicare (HI, Part A); and • Supplementary Medical Insurance under Medicare (SMI, Part B).
Medicare for People With Disabilities Who Work (SSDI)	Some people with disabilities who have returned to work can buy continued Medicare coverage when their premium-free Medicare ends due to work activity. States are required to help pay the hospital insurance premiums for some working individuals with disabilities.
Plan for Achieving Self-Support (PASS)(SSI)	Under an approved PASS, you may set aside income and/or resources over a reasonable time which will enable you to reach a work goal to become financially self-supporting. You then can use the income and resources that you set aside to obtain occupational training or education, purchase occupational equipment, establish a business, etc. We do not count the income and resources that you set aside under a PASS when we decide SSI eligibility and payment amount.

Property Essential To Self-Support (SSI)	We do not count some or all of certain property necessary for self-support when we apply the SSI resources test.
Resources (SSI)	Resources are anything you own, such as a bank account, stocks, business assets, real property, or personal property that you can use for your support and maintenance. We do not count all your resources when we determine your SSI eligibility.
Substantial Gainful Activity (SSDI and SSI)	We evaluate the work activity of persons claiming or receiving disability benefits under SSDI, and/or claiming benefits because of a disability (other than blindness) under SSI. Under both programs, we use earnings guidelines to evaluate your work activity to determine whether the work activity is substantial gainful activity and whether we may consider you disabled under the law. While this is only one of the tests used to determine disability, it is a critical threshold in disability evaluation. If your impairment is other than blindness, effective July 1999, earnings averaging over $700 a month generally demonstrate substantial gainful activity. If you are blind, effective January 1999, earnings averaging over $1110 a month generally demonstrate substantial gainful activity. (Changes are posted to our web site, see page 6.)
SSDI	Social Security Disability Insurance authorized under title II of the Social Security Act.
SSI	Supplemental Security Income program authorized under title XVI of the Social Security Act.
Subsidies and Special Conditions (SSDI and SSI)	Supports you receive on the job that could result in more pay than the actual value of the services you perform. We deduct the value of subsidies and special conditions from your earnings when we determine SGA.
Trial Work Period (SSDI)	The trial work period is an incentive for the personal rehabilitation efforts of SSDI beneficiaries who work. The trial work period lets you test your ability to work or run a business for at least 9 months and receive full SSDI benefits no matter how high your earnings are if your impairment does not improve. (See page 29 for details.)

Unincurred Business Expenses	Self-employment business support given to you by someone else without cost. If you are self-employed, we deduct unincurred business expenses from earnings when we determine SGA.
Unsuccessful Work Attempt	An effort to do substantial work (in employment or self-employment) which you stopped or reduced to below SGA level after a short time (6 months or less). This change must have resulted because of your impairment, or removal of special conditions related to your impairment that were essential to the further performance of your work. We do not count earnings during an unsuccessful work attempt when we determine SGA.

ADDRESSES FOR SOCIAL SECURITY REGIONAL OFFICES

Boston Region I

Regional Commissioner, SSA
Attn: Disability Programs
Room 1950
John F. Kennedy Federal Office Building
Cambridge Street
Boston, Massachusetts 02203

New York Region II

Regional Commissioner, SSA
Attn: Disability Programs
Room 40-102, Federal Office Building
26 Federal Plaza
New York, New York 10278

Philadelphia Region III

Regional Commissioner, SSA
Attn: Disability Programs
P.O. Box 8788
300 Spring Garden Street
Philadelphia, Pennsylvania 19123

Atlanta Region IV

Regional Commissioner, SSA
Attn: Disability Programs
61 Forsyth St., SW
Suite 22T64
Atlanta, Georgia 30303-8907

Chicago Region V

Regional Commissioner, SSA
Attn: Disability Programs
10th Floor
600 West Madison
Chicago, Illinois 60661

Dallas Region VI

Regional Commissioner, SSA
Attn: Disability Programs
1301 Young St.,
Suite 670
Dallas, Texas 75202-5493

Kansas City Region VII

Regional Commissioner, SSA
Attn: Disability Programs
Room 461, Federal Office Building
601 East 12th Street
Kansas City, Missouri 64106

Denver Region VIII

Regional Commissioner, SSA
Attn: Disability Programs
Room 1194, Federal Office Building
1961 Stout Street
Denver, Colorado 80294-3538

San Francisco Region IX

Regional Commissioner, SSA
Attn: Disability Programs
Sixth Floor
Frank Hagel Federal Bldg.
1221 Nevin Ave.
Richmond, California 94801

Seattle Region X

Regional Commissioner, SSA
Attn: Disability Programs
Mail Stop 303A
Suite 2900
701 Fifth Ave.
Seattle, Washington 98104-7075

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EMPLOYMENT SUPPORT PROGRAMS

Social Security Administration's Office of Employment Support Programs web site contains employment support information for people with disabilities.

***Rehabilitation Programs**	***Health Care for People with Disabilities**
***Work Incentives**	***Contracts and Cooperative Agreements**
***Legislation**	***Other Web Sites of Interests**
***Employment Programs**	***What's New**

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